

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-120-E - ORDER NO. 2005-268

MAY 20, 2005

IN RE: Application of Progress Energy Carolinas, Inc. for Permission to Sell Land That Is No Longer Needed to Provide Utility Service.) ORDER APPROVING) SALE OF PROPERTY) AND ACCOUNTING) TREATMENT
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This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of Progress Energy Carolinas, Inc. (PEC or the Company) for approval of the transfer of certain real estate located in the PEC service area, which the Company states is not required for future utility service.

On January 2, 1973, PEC purchased 11.78 acres of land located in Wilmington, North Carolina for \$17,760.00. PEC then constructed three buildings and a parking area on the property. During 2004, PEC determined that this property was no longer needed in order for PEC to provide electric service to its customers. The Company previously sold approximately one acre of the property. The amount of land involved in this transaction is 10.81 acres. An appraisal of the property indicated that the property was worth \$2.16 to \$2.7 million. In December 2004, the land was advertised for sale for approximately 45 days. In response, PEC received four offers ranging from \$2 million to \$3.5 million. PEC has entered into a contract with the highest bidder to sell the property for \$3.5 million. From the date of its acquisition the property has been held in Federal Energy Regulatory Commission (FERC) Account No. 101, Electric Plant in Service.

S.C. Code Ann. Section 58-27-1300 (Supp. 2004) provides that an electric utility must first obtain Commission approval prior to selling or otherwise transferring utility

property with a fair market value greater than \$1 million. Therefore, PEC applies to the Commission for permission to sell the land in question.

The Company intends to credit FERC Account No. 101 for the book value of the property. FERC Account No. 421.1, Gain on Disposition of Property, will be credited for the difference between the book value and sale price.

We have examined the Petition for the proposed transfer of real estate in this case, and we find that it should be approved as filed. No objections, protests, or interventions in the matter have been filed. The Office of Regulatory Staff (ORS) has no objection to the transaction. Further, the proposed accounting treatment is appropriate as proposed, and is consistent with proper utility accounting principles. The property may be sold and accounted for under the conditions described in the Application.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

/s/
Randy Mitchell, Chairman

ATTEST:

/s/
G. O'Neal Hamilton, Vice-Chairman

(SEAL)